

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

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Return Address:	<u>          5825 Florida Blvd, Ste. 3002          </u>	Rule Title:	<u>          LAC 7:XXIX.117          </u>
	<u>          Baton Rouge, LA 70806          </u>	Date Rule Takes Effect:	<u>          August 20, 2016          </u>

**SUMMARY  
(Use complete sentences)**

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

**I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

The proposed rule change will not result in any costs or savings to state or local governmental units.

The substantive proposed rule change to LAC 7:XXIX.117 expressly requires arborists, utility arborists, and landscape irrigation contractors to maintain insurance coverage while in operation, and that failure to do so may constitute a violation. Present administrative rules require persons actively engaged in the aforementioned professions to present proof of insurance prior to licensure and renewal of licensure. Furthermore, the proposed rule change makes technical changes throughout LAC 7:XXIX.117. As a result, the proposed rule changes will not result in any costs or savings to state or local governmental units.

**II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)**

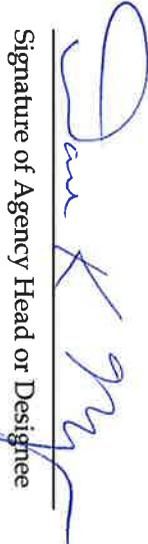
The proposed rule change will not affect revenue collections for state or local governmental units.

**III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)**

The proposed rule change should not result in any costs or economic benefits to directly affected persons or non-governmental groups. Arborists, utility arborists, and landscape irrigation contractors must already present proof of active insurance policies prior to licensure and license renewal. The proposed rule change expressly states that persons actively engaged in the aforementioned professions must maintain insurance while operating.

**IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)**

The proposed rule will not have an effect on competition and employment.

  
\_\_\_\_\_  
Signature of Agency Head or Designee  
Dane Morgan, Asst. Commissioner of \_\_\_\_\_

  
\_\_\_\_\_  
Legislative Fiscal Officer or Designee

Management and Finance

Typed Name & Title of Agency Head or Designee

7/21/16

Date of Signature

7-8-16

Date of Signature

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The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

The department and the Horticulture Commission intend to amend LAC 7:XXIX.117 to clarify that an arborist, utility arborist and landscape irrigation contractor must maintain insurance coverage while operating in their professions. Current regulation requires an arborist, utility arborist and landscape irrigation contractor to obtain insurance prior to licensure and to show proof of insurance prior to license renewal. Although the department and Horticulture Commission have consistently interpreted the current laws and rules to require continued insurance coverage, the proposed amendment expressly states the requirement and removes any confusion over the requirement for ongoing, continuous insurance coverage.

In addition, the proposed rule changes the word "must" to "shall" throughout Rule 117 for consistency.

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

The proposed rule is necessary to give the department a specific rule to cite as a violation when an arborist, utility arborist or landscape irrigation contractor is operating without the required insurance.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

The proposed rule will not result in an increase in the expenditure of funds.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) \_\_\_\_\_ Yes. If yes, attach documentation.

(b) \_\_\_\_\_ NO. If no, provide justification as to why this rule change should be published at this time

**FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET**

**I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED**

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

The proposed rule change will not result in any costs or savings to state or local governmental units.

<b>COSTS</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>
Personal Services			
Operating Expenses			
Professional Services			
Other Charges			
Equipment			
Major Repairs & Constr.			
<b>TOTAL</b>			
<b>POSITIONS (#)</b>			

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

The substantive proposed rule change to LAC 7:XXIX.117 expressly requires arborists, utility arborists, and landscape irrigation contractors to maintain insurance coverage while in operation, and that failure to do so may constitute a violation. Present administrative rules require persons actively engaged in the aforementioned professions to present proof of insurance prior to licensure and renewal of licensure. Furthermore, the proposed rule change makes technical changes throughout LAC 7:XXIX.117. As a result, the proposed rule changes will not result in any costs or savings to state or local governmental units.

3. Sources of funding for implementing the proposed rule or rule change.

The proposed rule change will not require any direct or indirect material funding.

<b>SOURCE</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>
State General Fund			
Agency Self-Generated			
Dedicated			
Federal Funds			
Other (Specify)			
<b>TOTAL</b>			

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

The proposed rule change will not require any funds to implement.

**B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.**

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

It is not anticipated that the proposed rule will have an impact on local governmental units.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

Not applicable.

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WORKSHEET**

**II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS**

A. What increase (decrease) in revenues can be anticipated from the proposed action?

The proposed rule change will not affect revenue collections for state or local governmental units.

<b>REVENUE INCREASE/DECREASE</b>	<b>FY 17</b>	<b>FY 18</b>	<b>FY 19</b>
State General Fund			
Agency Self-Generated			
Dedicated Funds*			
Federal Funds			
Local Funds			
<b>TOTAL</b>			

\*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

Not applicable.

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**III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR  
NONGOVERNMENTAL GROUPS**

A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.); they may have to incur as a result of the proposed action.

The proposed rule change should not result in any costs or economic benefits to directly affected persons or non-governmental groups. Arborists, utility arborists, and landscape irrigation contractors must already present proof of active insurance policies prior to licensure and license renewal. The proposed rule change expressly states that persons actively engaged in the aforementioned professions must maintain insurance while operating.

B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

Not applicable. Proof of insurance is already required to be provided to the department by anyone seeking to obtain or renew a license as an arborist, utility arborist or landscape irrigation contractor.

#### IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

The proposed rule will not have an effect on competition and employment.